Asia Now Environmental Bulletin

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Welcome to the Asia Now Environmental Bulletin. This publication contains business intelligence on the environmental market in the Asia Pacific Region. For country specific environmental market information please contact:

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AUSTRALIA

The Market for Desalination Technology

The drought that began in 2002, and that has plagued much of Australia, has placed the spotlight on water quality and supply as Australia's number one environmental concern. Key major dams are operating at less than 50 percent of their capacity. Coupled with another growing environmental crisis – dry land and (to a lesser extent) surface water salinity, governments at all levels are grappling with the challenge of improving and ensuring Australia's future water supply.

Desalination has emerged as one of a variety of options gaining serious consideration by state governments. Australia accounts for less than one percent of worldwide desalination capacity and there is much debate about the merits of desalination versus other strategies. While the technology is likely to remain a very contentious subject, it is also clear that a long and severe drought will fuel increased interest in desalination.

A major desalination plant has already been committed to near Perth in Western Australia and will be built by Degremont S.A. (France) in consortia with a local engineering firm. The plant is scheduled for completion in April 2007. In the state of Queensland, the government has set aside $2 million to investigate desalination as an option. In the state of New South Wales, the government has moved ahead with environmental assessment, procurement and planning approval process to ensure that Sydney would be able to build a desalination plant. Two consortia have been shortlisted for this project. However, at the time of writing the NSW State Government announced that the project was being shelved. The experience of Western Australia may prove to be the major determinant in future considerations of large-scale desalination plants.

Australia accounts for less than one percent or 100 million liters per day (ML/day) of the worldwide capacity to desalt water. Currently, the largest desalination plant in Australia is a 35ML/day reverse osmosis (RO) plant at Bayswater, NSW which desalinates discharge water before supplying it to the plant for reuse. Quite a number of mines and power stations use RO desalination to comply with zero discharge commitments. For example, there are currently 27 desalination facilities in the state of Queensland, ranging in size from 22KL/day to over 16,000 KL/day. Australia-wide, there are about 10 small desalination plants used to produce potable water to the public. Again, these are all RO units.

There are three channels by which water treatment technology reaches the end-user:

1. The utility or end-user appoints an environmental management or consultancy firm. This firm is often commissioned to first undertake an environmental audit or risk/impact assessment and then to make recommendations for the best technology to be used.

2. Alternatively, and depending on the size of the project, the end-user will allocate the contract to an environmental engineering firm or contractor capable of installing turn-key facilities. The engineering firm will then be responsible for sourcing the technology either directly from overseas or through local suppliers.

3. The government owned utility purchases wastewater equipment directly from the local manufacturer or joint venture partner/representative.

Private end-users usually maintain a preferred tenderers list in which certain suppliers, consultants and contractors will be invited to bid for the project. State government owned utilities are required to adopt a policy of open competition among suppliers and usually call for tenders through general media channels.

HONG KONG

New Initiatives to Encourage Waste Separation and Recycling

The Hong Kong Government announced a policy framework for municipal solid waste management in December 2005. The framework encourages waste separation & recycling, and only incinerating or sending the remaining waste to landfill. This policy framework will open up the market to waste reduction, recycling and treatment technologies and represents outstanding business opportunities for US companies.

The Hong Kong Government's initiatives to encourage waste separation and recycling include:

- Implement waste disposal charges
- Possible financial incentives to support the recycling industry
- Introduction of the "Producer Responsibility Scheme" – manufacturers, distributors, and sellers all bearing the responsibility of waste minimization
- Introduction of the "Polluter-pays Principle"
- Establishment of an EcoPark to provide long-term land for recyclers
- Encouraging the "green (products made with recycled materials) procurement policy"

There will be a rise in waste reduction and management system demand in anticipation of the passing through of the above initiatives in 2006 and the EcoPark coming online later in the year.

PHILIPPINES

Invitations for Bids – Pasig River Management and Rehabilitation Project

The Metropolitan Waterworks and Sewerage System (MWSS) released three invitations for bids in connection with the Pasig River Management and Rehabilitation Project, an Asian Development Bank (ADB)-funded project. The MWSS is the government agency that has jurisdiction, supervision and control over the waterworks and sewerage system in Metro Manila and adjacent cities covering 1,949 sq. meters.

MWSS invites sealed bids under the International Shopping procedure from eligible bidders from ADB member countries for the following:
(1) Supply and delivery of ductile iron pipes;
(2) Supply and delivery of water meters, and plastic and brass fittings; and
(3) Supply and delivery of various pipes and fittings

Additional information and bid documents are available at the Logistics Department of the Manila Water Company Inc. (MWC). The complete contact information of MWC is: Ground Floor, Administration Bldg., MWSS Complex, Katipunan Road, Balara, Quezon City; Fax: (632) 981-8161; TELEX No. 27947 MWSS, PH.

All bids must be submitted on March 7, 2006 to MWSS BAC Engineering Building, MWSS, Katipunan Road, Quezon City.

Manila Water Services Inc. to Spend US$76 M on Water and Sanitation Projects

The Manila Water Services Inc. (MWSI) plans to spend US$76 million on water and sanitation projects in 2006. MWSI is a concessionaire of MWSS, the government agency that has jurisdiction, supervision and control over the waterworks and sewerage system in Metro Manila and adjacent cities. MWSI will continue expanding its water service coverage as well as its sewerage and sanitation coverage. Since 1997, MWSI has invested more than US$230 for its projects, largely for pipe replacement programs. These resulted in a huge reduction in system losses from 63% to 35% as of September 2005.

Earlier, MWSI disclosed an aggressive plan to increase sewer coverage from 10% to 30% within five years. Backed by a US$64 million World Bank funding, the company will invest in a US$ 85-million sewerage and sanitation program that will benefit more than 3 million residents in its service coverage area. Manila Water serves more than 5 million residents.

For more information about MWSI and its projects, please visit www.manilawater.com.

Funding Assistance to Air Quality Management Projects

The Department of Environment and Natural Resources (DENR) recently issued a memorandum circular that specifies the criteria in the selection and implementation of qualified and eligible projects and activities that can be supported by the Air Quality Management Fund (AQMF).

The Clean Air Act of 1999 provides for the establishment of the AQMF to be administered by the Environmental Management Bureau (EMB), an agency under the DENR. Purchase of equipment related to air quality monitoring, reporting or management; public awareness campaigns; research on air pollution related issues; and roadside apprehension/emission testing are some projects/ activities that can qualify for funding.

Air emission charges on industrial facilities and motor vehicles, and grants from both private sector and donor organizations are among the fund sources of the AQMF.

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End of report.